

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
CORE SCIENTIFIC, INC., et al.,	§	
	§	Case No. 22-90341 (CML)
	§	
	§	(Jointly Administered)
Debtors.¹	§	
	§	
	§	

**DECLARATION OF MICHAEL BROS IN SUPPORT OF DEBTORS'
BACKSTOP MOTION AND CONDITIONAL DISCLOSURE STATEMENT MOTION**

I, Michael Bros, pursuant to section 1746 of title 28 of the United States Code, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am the Senior Vice President of Capital Markets & Acquisitions at Core Scientific, Inc. (“Core”, and together with its above-captioned debtor affiliates, the “**Debtors**”). I have served in this capacity since January 2022. Before that, starting in December 2018, I was Core’s Vice President of Corporate Development. Prior to joining Core, I held various positions at Kayne Anderson from 2014 to 2018 and Merrill Lynch from 2011 to 2014. I hold a Bachelor of Arts from the University of Saint Thomas and a Master in Business Administration from the University of California, Los Angeles Anderson School of Management.

2. I submit this declaration (the “**Declaration**”) in support of the relief requested in the *Emergency Motion of Debtors for Order (I) Authorizing Entry into Backstop*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions VII LLC (3198). The Debtors’ corporate headquarters is 210 Barton Springs Road, Suite 300, Austin, Texas 78704. The Debtors’ service address is 2407 S. Congress Ave, Suite E-101, Austin, Texas 78704.

Commitment Letter, (II) Approving Performance of Obligations Thereunder, and (III) Granting Related Relief (the “**Backstop Motion**”) (Docket No. 1383) and the *Emergency Motion of Debtors for Entry of Order (I) Scheduling Combined Hearing on (A) Adequacy of Disclosure Statement and (B) Confirmation of Plan; (II) Conditionally Approving Disclosure Statement and Form and Manner of Notice of Conditional Disclosure Statement Hearing; (III) Establishing Solicitation and Voting Procedures; (IV) Establishing Notice and Objection Procedures for Confirmation of Proposed Plan; (V) Approving Notice Procedures for Assumption or Rejection of Executory Contracts and Unexpired Leases; (VI) Approving Notice Procedures for Reinstatement of Claims; (VII) Establishing Rights Offering Procedures; and (VIII) Granting Related Reliefs* (the “**DS Motion**”) (Docket No. 1384).²

3. Except as otherwise indicated herein, all facts set forth in this declaration are based on my experience and personal knowledge of the Debtors, their operations and finances, discussion with the Debtors’ stakeholders, and information learned during the course of my employment. I, along with the Debtors’ investment bankers at PJT Partners LP (“**PJT**”), the Debtors’ counsel, and others from the Debtors’ management team, led the chapter 11 plan negotiations for the Debtors, which culminated in the Mediated Settlement and the Plan (each as defined in the Backstop Motion). At the direction of the Debtors’ special committee of independent directors (the “**Special Committee**”), I directed the Debtors’ advisors with respect to negotiations of the Backstop Commitment Letter with the Equity Committee. I also received regular updates from PJT regarding the exit capital marketing process and reviewed the relevant documents, including the Backstop Commitment Letter, and have also received information from

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Backstop Motion or the DS Motion, as applicable.

the Debtors' advisors or employees of the Debtors working directly with me. If called upon to testify, I could and would competently testify to the facts set forth in this Declaration on that basis.

Sound Business Reasons Support Entry into the Backstop Commitment Letter

4. I believe the entry into the Backstop Commitment Letter is a reasonable exercise of the Debtors' business judgment. The Backstop Commitment Letter provides the Debtors with a number of key benefits, including assurances that the Debtors can raise the Rights Offering proceeds necessary to implement the Mediated Settlement and the Plan, which I believe will maximize value for the Debtors and their estates. Moreover, based on my knowledge of the Debtors' business plan and capital needs, I believe that the approximately \$37 million portion of the Rights Offering that is backstopped, together with the exit delayed draw term loan facility to be provided by certain members of the Ad Hoc Noteholder Group (the "**Exit Facility**"), will be sufficient to fund the Plan and address the Reorganized Debtors' post-emergence capital needs. In addition, at the direction of the Special Committee, PJT conducted an extensive exit capital marketing process and the Debtors did not receive any superior or actionable alternatives as part of that process. Therefore, I believe the Rights Offering and the Backstop Commitment Letter, along with the Exit Facility, present the best currently available option for the Debtors to raise exit capital necessary to fund a value-maximizing chapter 11 plan supported by the Ad Hoc Noteholder Group, the Equity Committee, and a significant majority of the Debtors' equipment lenders.

The Disclosure Statement Provides Adequate Information

5. I was involved in the negotiation and preparation of the Plan and the Disclosure Statement.³ I have reviewed the Disclosure Statement and to the best of my knowledge,

³ The Debtors intend to file contemporaneously with this Declaration an updated version of the *Third Amended Joint Chapter 11 Plan of Reorganization of Core Scientific, Inc. and its Debtor Affiliates* (as may be amended, modified or supplemented, the "**Plan**") and related Disclosure Statement (as may be amended, modified, or supplemented, the "**Disclosure Statement**"), which will revise the versions filed on docket nos. 1407 and 1410.

information and belief, I believe the information in the Disclosure Statement is true and correct. I also believe that the Disclosure Statement provides holders of impaired claims and existing equity holders adequate information to allow such holders to make an informed decision whether to vote for or against the Plan.

Dated: November 14, 2023
Houston, Texas

Respectfully submitted,

By: /s/ Michael Bros
Michael Bros
Senior Vice President of Capital Markets &
Acquisitions

Certificate of Service

I hereby certify that on November 14, 2023, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Alfredo R. Pérez
Alfredo R. Pérez
